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ABSTRACT

Developed through a modified DACUM (Developing a Curriculum) process involving business, industry, labor, and community agency representatives in Ohio, this document is a comprehensive and verified employer competency profile for entrepreneurship. The list contains units (with and without subunits), competencies, and competency builders that identify the skills needed to enter these occupations. The occupational, academic, and employability skills for this occupation or occupational area are included. Within the outline are three levels of items: core, advancing, and futuring. Core items identify the knowledge, skills, and attitudes essential for entry-level employment. These items are required to be taught and will be the basis for questions on the state vocational competency tests. Advancing items identify the knowledge, skills, and attitudes needed to advance in the occupation; futuring items identify the knowledge, skills, and attitudes needed to enter and remain in a given occupation 3 to 4 years from now. This profile contains 15 units on entrepreneurship: entrepreneurial potential; business description; marketing; sales; customer services; legal considerations; government compliance; recordkeeping; risk management; human resource management; business operations management; customer credit; start-up financing; financial management; and business plan. (NLA)

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OHIO'S COMPETENCY ANALYSIS PROFILE

ENTREPRENEURSHIP

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What is OCAP?

"A comprehensive and verified employer competency list will be developed and kept current for each program." This is the second objective of Imperative 3 of the *Action Plan for Accelerating the Modernization of Vocational Education: Ohio's Future at Work*. Ohio's Competency Analysis Profile (OCAP) lists are the Division of Vocational and Career Education's response to that objective. OCAP lists evolve from a modified DACUM process involving business, industry, labor, and community agency representatives from throughout Ohio. The OCAP process is directed by the Vocational Instructional Materials Laboratory at The Ohio State University's Center on Education and Training for Employment.

How is OCAP used?

Each OCAP contains units (with and without subunits), competencies, and competency builders that identify the occupational, academic*, and employability skills needed to enter a given occupation or occupational area. Within that outline there are three levels of items: core, advancing, and futuring. Core items identify the knowledge, skills, and attitudes essential for entry-level employment. These items are required to be taught and will be the basis for questions on the state vocational competency tests (scheduled to begin in school year 1993-94). Advancing items (marked with one asterisk) identify the knowledge, skills, and attitudes needed to advance in a given occupation. Futuring items (marked with two asterisks) identify the knowledge, skills, and attitudes needed to enter and remain in a given occupation three to four years from now.

School districts may add as many units, subunits, competencies, and/or competency builders as desired to reflect local employment needs, trends, and specialties. Local advisory committees should be actively involved in the identification and verification of additional items. Using OCAP lists, instructors will be able to formulate their vocational courses of study and monitor competency gains via the new criterion-referenced competency testing program that will be directly tied to the competencies identified on the OCAP lists.

***Academic competencies have not been identified for all OCAPs. At a later date math, communication, and science competencies will be released.**

OHIO COMPETENCY ANALYSIS PROFILE

ENTREPRENEURSHIP

UNIT 1: Entrepreneurial Potential

COMPETENCY 1.0.1: Evaluate role of small business in the economy

COMPETENCY BUILDERS:

1.0.1.1 Examine the relationship of small business to a national (USA) and global economy
1.0.1.2 Identify factors that contribute to the success and failure of small business
1.0.1.3 Analyze the effects of supply, demand, profit, and competition on small business

COMPETENCY 1.0.2: Investigate entrepreneurship

COMPETENCY BUILDERS:

1.0.2.1 Examine characteristics of entrepreneurs
1.0.2.2 Identify qualities and skills needed by business owners
1.0.2.3 Identify the advantages and disadvantages of owning a small business
1.0.2.4 Compare business ownership to working for others
1.0.2.5 Identify the personal risks of owning a small business

COMPETENCY 1.0.3: Examine entrepreneurship as a personal goal

COMPETENCY BUILDERS:

1.0.3.1 Evaluate personal interests and skills
1.0.3.2 Compare personal interests and skills with those necessary for entrepreneurship
1.0.3.3 Assess ability and aptitude to become a successful entrepreneur
1.0.3.4 Determine motives for becoming an entrepreneur

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UNIT 2: Business Description

COMPETENCY 2.0.1: Determine purpose of business

COMPETENCY BUILDERS:

2.0.1.1 Identify need(s) of market area
2.0.1.2 Identify products or services to meet the market area need(s)
2.0.1.3 Set financial and non-financial goals of business

COMPETENCY 2.0.2: Examine ways to become a business owner

COMPETENCY BUILDERS:

2.0.2.1 Compare the advantages and disadvantages of buying an existing business
2.0.2.2 Compare the advantages and disadvantages of starting a new business
2.0.2.3 Compare the advantages and disadvantages of buying a franchise

COMPETENCY 2.0.3: Analyze opportunities for new business

COMPETENCY BUILDERS:

2.0.3.1 Compare the advantages and disadvantages of manufacturing, wholesaling, retailing, and service businesses
2.0.3.2 Evaluate the business composition of the community
2.0.3.3 Research economic development of the geographic area
2.0.3.4 Analyze demographic characteristics of geographic area
2.0.3.5 Identify opportunities for change in the business environment
2.0.3.6 Survey potential customers

COMPETENCY 2.0.4: Select type of business ownership

COMPETENCY BUILDERS:

2.0.4.1 Compare advantages and disadvantages of business ownership types
2.0.4.2 Match business ownership type to kind of business
2.0.4.3 Identify sources of assistance to new entrepreneurs
2.0.4.4 Reevaluate chosen ownership type**

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COMPETENCY 2.0.5: Examine factors involved in selecting a business location

COMPETENCY BUILDERS:

2.0.5.1 Explain the importance of selecting the proper location
2.0.5.2 Compare advantages and disadvantages of different business locations
2.0.5.3 Determine the costs of leasing, renting, building, purchasing, and renovating
2.0.5.4 Identify sources of assistance in selecting a location

COMPETENCY 2.0.6: Select business location

COMPETENCY BUILDERS:

2.0.6.1 Examine potential market
2.0.6.2 Identify potential competition
2.0.6.3 Conduct a location analysis

UNIT 3: Marketing

COMPETENCY 3.0.1: Examine components of a marketing plan

COMPETENCY BUILDERS:

3.0.1.1 Identify purpose of marketing plan
3.0.1.2 Analyze the importance of product, price, place, and promotion
3.0.1.3 Identify target market(s)
3.0.1.4 Develop marketing goals
3.0.1.5 Analyze the competition
3.0.1.6 Recognize need for flexibility
3.0.1.7 Monitor market trends*
3.0.1.8 Develop a market forecast**

COMPETENCY 3.0.2: Conduct market research

COMPETENCY BUILDERS:

3.0.2.1 Identify purposes of market research
3.0.2.2 Develop research materials
3.0.2.3 Collect data
3.0.2.4 Interpret results

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COMPETENCY 3.0.3: Develop product strategies

COMPETENCY BUILDERS:

3.0.3.1 Identify advantages and disadvantages of product(s) or service(s)
3.0.3.2 Identify operational and marketable differences between product(s) or service(s) and competitors' product(s) or service(s)
3.0.3.3 Determine future product(s)
3.0.3.4 Evaluate breadth and depth of product mix

COMPETENCY 3.0.4: Develop purchasing strategies

COMPETENCY BUILDERS:

3.0.4.1 Analyze sources of supply
3.0.4.2 Determine supplier(s)
3.0.4.3 Formulate procedures to purchase supplies

COMPETENCY 3.0.5: Develop pricing strategies

COMPETENCY BUILDERS:

3.0.5.1 Examine factors affecting price(s)
3.0.5.2 Determine how to price product(s) or service(s)
3.0.5.3 Complete a cost and profit margin analysis

COMPETENCY 3.0.6: Develop distribution strategies

COMPETENCY BUILDERS:

3.0.6.1 Examine factors affecting distribution decisions
3.0.6.2 Determine how product(s) or service(s) will be purchased by target market(s)
3.0.6.3 Determine where product(s) or service(s) will be sold
3.0.6.4 Identify channels of distribution

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COMPETENCY 3.0.7: Develop promotional strategies

COMPETENCY BUILDERS:

3.0.7.1 Explain importance of promotion to small business
3.0.7.2 Compare advantages and disadvantages of advertising, personal selling, sales promotion, and public relations techniques
3.0.7.3 Identify cost factors in the selection of promotional methods
3.0.7.4 Establish promotional budget
3.0.7.5 Justify proposed promotional budget in relation to industry standards
3.0.7.6 Evaluate promotional effectiveness

UNIT 4: Sales

COMPETENCY 4.0.1: Develop sales plan

COMPETENCY BUILDERS:

4.0.1.1 Set sales goals
4.0.1.2 Determine customer needs
4.0.1.3 Determine target customer list
4.0.1.4 Develop sales presentation

COMPETENCY 4.0.2: Execute personal selling skills

COMPETENCY BUILDERS:

4.0.2.1 Project proper image
4.0.2.2 Know your product
4.0.2.3 Demonstrate product
4.0.2.4 Utilize proper closing skills
4.0.2.5 Continue education/training*

UNIT 5: Customer Service

COMPETENCY 5.0.1: Analyze importance of a customer service policy

COMPETENCY BUILDERS:

5.0.1.1 Compare policies from other businesses
5.0.1.2 Evaluate methods to prevent customer dissatisfaction
5.0.1.3 Identify the steps involved in creating a customer service policy

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COMPETENCY 5.0.2: Establish customer service policy

COMPETENCY BUILDERS:

5.0.2.1 Project positive, professional image
5.0.2.2 Develop a customer feedback system
5.0.2.3 Develop a training program for employees
5.0.2.4 Establish guidelines for customer relations

UNIT 6: Legal Considerations

COMPETENCY 6.0.1: Analyze how laws affect small business operations

COMPETENCY BUILDERS:

6.0.1.1 Identify legal issues faced by entrepreneurs
6.0.1.2 Determine when and how to obtain appropriate legal assistance

COMPETENCY 6.0.2: Examine use of contracts in small businesses

COMPETENCY BUILDERS:

6.0.2.1 Identify components of a contract
6.0.2.2 Compare types of contracts used by entrepreneurs
6.0.2.3 Describe situations that call for a written contract
6.0.2.4 Identify the rights and responsibilities of lessees and lessors

UNIT 7: Government Compliance

COMPETENCY 7.0.1: Analyze how legislation affects small business

COMPETENCY BUILDERS:

7.0.1.1 Examine the relationship between government and entrepreneurs
7.0.1.2 Explain the effects of regulation on the business operation
7.0.1.3 Participate in the legislative process*

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COMPETENCY 7.0.2: Comply with government regulations

COMPETENCY BUILDERS:

7.0.2.1 Identify sources of information and assistance
7.0.2.2 Identify regulations, licensing, and permits affecting business operations
7.0.2.3 Identify federal, state, and local taxes affecting small businesses
7.0.2.4 Develop policies of compliance
7.0.2.5 Monitor changing regulations

UNIT 8: Recordkeeping

COMPETENCY 8.0.1: Examine importance of effective recordkeeping

COMPETENCY BUILDERS:

8.0.1.1 Give reasons for keeping records
8.0.1.2 Identify types of records needed by small businesses
8.0.1.3 Identify sources of assistance in recordkeeping
8.0.1.4 Identify types of data provided by recordkeeping
8.0.1.5 Investigate business records kept on computer

COMPETENCY 8.0.2: Maintain records

COMPETENCY BUILDERS:

8.0.2.1 Determine records needed
8.0.2.2 Develop proper techniques/procedures for maintaining each type of record

UNIT 9: Risk Management

COMPETENCY 9.0.1: Analyze types of risks faced by entrepreneurs

COMPETENCY BUILDERS:

9.0.1.1 Identify entrepreneurial risks
9.0.1.2 Investigate minimizing loss due to risk
9.0.1.3 Evaluate how planning can minimize risk

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COMPETENCY 9.0.2: Establish risk-management strategies

COMPETENCY BUILDERS:

9.0.2.1 Establish measures that can be used to minimize theft
9.0.2.2 Select appropriate types of business insurance
9.0.2.3 Develop a safety plan
9.0.2.4 Develop an ongoing regulatory compliance plan
9.0.2.5 Develop a disaster plan*

UNIT 10: Human Resource Management

COMPETENCY 10.0.1: Analyze responsibilities involved in managing employees

COMPETENCY BUILDERS:

10.0.1.1 Examine importance of human resource management
10.0.1.2 Compare management styles
10.0.1.3 Identify obligations employers have to employees
10.0.1.4 Determine how laws affect the hiring, management, and dismissal of employees
10.0.1.5 Evaluate techniques used to supervise and motivate employees
10.0.1.6 Identify importance of effective communication
10.0.1.7 Obtain education/training in employee management*

COMPETENCY 10.0.2: Establish personnel policies and procedures

COMPETENCY BUILDERS:

10.0.2.1 Prepare job descriptions for each position
10.0.2.2 Identify steps involved in hiring and firing employees
10.0.2.3 Develop training program for employees
10.0.2.4 Identify company rules and regulations
10.0.2.5 Maintain personnel file
10.0.2.6 Develop an employee evaluation system

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UNIT 11: Business Operations Management

COMPETENCY 11.0.1: Evaluate role of management in operating a business

COMPETENCY BUILDERS:

11.0.1.1 Identify management functions performed by entrepreneurs
11.0.1.2 Recognize responsibilities and rewards of small business management
11.0.1.3 Compare specific management techniques
11.0.1.4 Examine importance of time management
11.0.1.5 Identify benefits of membership in professional/trade associations
11.0.1.6 Seek professional support system(s)

COMPETENCY 11.0.2: Develop management strategies

COMPETENCY BUILDERS:

11.0.2.1 Set company goals and objectives
11.0.2.2 Build leadership traits
11.0.2.3 Establish business policies
11.0.2.4 Collect information to aid in making business decisions

UNIT 12: Customer Credit

COMPETENCY 12.0.1: Examine role of customer credit in small business

COMPETENCY BUILDERS:

12.0.1.1 Identify reasons for offering customer credit
12.0.1.2 Compare advantages and disadvantages of offering credit
12.0.1.3 Compare types of credit plans
12.0.1.4 Identify factors to consider in awarding customer credit

COMPETENCY 12.0.2: Establish credit and collection procedures

COMPETENCY BUILDERS:

12.0.2.1 Develop methods of setting credit limits
12.0.2.2 Maintain credit records
12.0.2.3 Develop guidelines for evaluating credit applicants/applications
12.0.2.4 Develop credit collection policy
12.0.2.5 Recognize legal rights of credit grantors

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UNIT 13: Start-up Financing

COMPETENCY 13.0.1: Examine factors involved in obtaining financing

COMPETENCY BUILDERS:

13.0.1.1 Analyze the personal risks involved in financing a business
13.0.1.2 Compare the advantages and disadvantages of sources of financing
13.0.1.3 Compare types of business loans
13.0.1.4 Identify sources of financial assistance

COMPETENCY 13.0.2: Prepare financing strategies for business startup

COMPETENCY BUILDERS:

13.0.2.1 Estimate start-up and operating costs
13.0.2.2 Determine personal income needs
13.0.2.3 Prepare operating budget
13.0.2.4 Prepare a projected profit and loss statement
13.0.2.5 Prepare a projected cash flow statement
13.0.2.6 Estimate necessary financing

UNIT 14: Financial Management

COMPETENCY 14.0.1: Develop procedures to manage finances

COMPETENCY BUILDERS:

14.0.1.1 Explain the importance of financial management
14.0.1.2 Identify financial control procedures
14.0.1.3 Analyze trouble spots in financial management
14.0.1.4 Identify uses for computers in financial management
14.0.1.5 Analyze uses of depreciation schedules*

COMPETENCY 14.0.2: Use financial statements to make business decisions

COMPETENCY BUILDERS:

14.0.2.1 Prepare balance sheet
14.0.2.2 Prepare profit and loss statement
14.0.2.3 Prepare cash flow analysis
14.0.2.4 Complete a break-even analysis
14.0.2.5 Prepare a cost accounting statement
14.0.2.6 Update operating budget
14.0.2.7 Project a long-term financial plan*

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UNIT 15: Business Plan

COMPETENCY 15.0.1: Analyze importance of a business plan

COMPETENCY BUILDERS:

15.0.1.1 Identify purposes for developing a business plan
15.0.1.2 Identify components of a business plan
15.0.1.3 Examine how a business plan contributes to the success of an entrepreneur

COMPETENCY 15.0.2: Develop business plan

COMPETENCY BUILDERS:

15.0.2.1 Prepare a description of the business
15.0.2.2 Create an organizational chart
15.0.2.3 Complete a marketing plan
15.0.2.4 Prepare a financial plan

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